

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM 10-KSB

☒ ANNUAL REPORT ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF ANNUAL REPORT
ACT OF 1934

For the fiscal year ended **December 31, 2001**

☐ TRANSITION TRANSITION REPORT PURSUANT TO SECTION 13 OR TRANSITION REPORT
EXCHANGE ACT OF 1934

Commission File No. **0-14047**

Tropical Leisure Resorts, Inc.

(Exact name of Registrant as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

04-2392188

(IRS Employer
Identification No.)

4766 Holladay Blvd., Holladay, Utah 84117
(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: **(801) 273.9300**

Securities registered pursuant to Section 12(b) of the Act: **NONE**

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ **Yes** ☐ **No**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is included in this Form 10-K or any amendment to this Form 10-K. ☒ **Yes** ☐ **No**

Revenue for the year ended December 31, 2001: \$0.

As of May 10, 2002 it is unclear as to the aggregate market value of the voting stock held by the Registrant. This is due to the low or almost non-existing trading of the Registrant's Securities.

As of May 10, 2002 the number of shares outstanding of the Registrant's Common Stock was 16,041,495.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

TropicalTropical Leisure Resorts, Inc. ("the Company") was Tropical Leisure Resorts, Inc. ("the Company") was in 1966 under the name Sanson Institute of Heraldry, Inc. and changed it s in 1966 under the name Sanson Industries, Industries, Inc. Subsequently, tIndustries, Inc. Subsequently, the CoIndustries, Inc. Subsequently, Maxum Development, Inc.

InIn September 2001, the Company changed its name to Tropical LeiIn September 2001, the Company c entering into an acquisition agreement with Ambassaentering into an acquisition agreement with Am completed and the Company did not commence operations as a result of that intended acquisition.

TheThe board of directors feel that the CompThe board of directors feel that the Company does The company (as defined in SFAS 7 *Accounting and Accounting and Reporting by Development Stage Enterprises*) p because it is not currentlybecause it is not currently producing or marketing a productbecause it is not currently seeking a business opportunity to merge with or acquire, but to datseeking a business opportunity opportunities.

InIn seeking abusiness opportunity to merge with or acquire,In seeking abusiness opportunity to merge with c plans.plans. Management has not limited their review ofplans. Management has not limited their review of p industryindustry or serviceindustry or service sector. Though there appears to be a large number of companies see anan existingan existing public company, the management hasan existing public company, the management has not withwith and the Company has notwith and the Company has not entered into any binding agreements for an acqu no assurance that the company will be successful in finding any businessno assurance that the company will be succ

ITEM 2. DESCRIPTION OF PROPERTY

The Company currently has no office and pays no rent.

ITEM 3. LEGAL PROCEEDINGS

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

None - not applicable

PART II

ITEM 5. MARKET PRICE FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company has not been able to obtain any reliable trading history for that period there appeared to be little or no trading in the stock of the Company.

As of May 10, 2002, the Company had approximately 575 shareholders of record.

The Company has not declared any cash dividends on its common stock. The Company has no present intention of declaring any dividends. For the foreseeable future, the Company intends to retain all earnings, if any, for use in the development and expansion of its business.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition

The Company had interest revenue during the year ended December 31, 2001, but due to the cancellation of the subscription receivable the accounting entries for interest revenue and cancellation of the subscription receivable have been reversed. For the year ended December 31, 2001, interest revenue was \$0 compared to \$(34,483) at December 31, 2000. The Company has no operating capital commitments.

Liquidity and Capital Resources

The Company has no liquid assets and is currently in the process of looking for a merger or acquisition. At minimum, the Company will need to raise additional capital through private funding to meet the financial needs of being a reporting company. The Company will be successful in obtaining necessary funding to develop any business opportunities.

Results of Operations

The Company reported a net loss of \$(17,804) for the year ended December 31, 2001, compared to a net gain of \$5,192 for the year ended December 31, 2000. The Company anticipates continuing its operations until a successor business can be acquired. The Company's only expenses are professional fees and directors' fees.

ITEM 7. FINANCIAL STATEMENTS

- (a)(1) The following financial statements of the Company and its subsidiaries have been audited by independent accountants and their report (see Item 8 Financial Statements and Supplementary Data):

Independent Auditors Report

Balance Sheets as of December 31, 2001.

Statements of Operations for the years ended December 31, 2001 and December 31, 2000.

Statement of Stockholders Equity for the period from December 31, 1999 to December 31, 2001.

Statement of Cash Flows for the years ended December 31, 2001 and December 31, 2000.

Notes to Financial Statements.

- (2) Schedules are omitted because of the absence of conditions under which the required information is given in the financial statements or notes thereto.

/Letterhead/

INDEPENDENT AUDITOR S REPORT

To the Board of Directors and Stockholders
of Tropical Leisure Resorts, Inc.

We have audited the accompanying balance sheet of Tropical Leisure Resorts, Inc. (a Nevada Corporation) as of December 31, 2001 and the related statements of operations, retained earnings and cash flows for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Whether the financial statements are free of material misstatement is a matter of opinion. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly the financial position of Tropical Leisure Resorts, Inc., as of December 31, 2001 and 2000, and the results of its operations and cash flows for the years ended December 31, 2001 and 2000 in conformity with generally accepted accounting principles, in the United States of America.

The accompanying financial statements have been prepared assuming the Company is a going concern. As discussed in Note 2, the Company's recurring operating losses and cash requirements raise substantial doubt about its ability to continue as a going concern. Management's plans in response to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Bierwolf, Nilson & Associates

Salt Lake City, Utah
May 7, 2002

Tropical Leisure Resorts, Inc.
Balance Sheet

	December 31, <u>2001</u>
Assets	
Total Assets	\$ <u><u>-</u></u>
Liabilities and Stockholders Equity	
<u>Current Liabilities</u>	
Accounts Payable	\$ 8,142
Note Payable (Note 3)	19,549
Interest Payable	<u>521</u>
Total Current Liabilities	<u>28,212</u>
<u>Stockholders Equity</u>	
Common stock, \$.001 par value; 10,000,000 shares authorized; 16,041,495 shares issued and outstanding	16,041
Additional Paid-In Capital	963,059
Retained Deficit	<u>(1,007,312)</u>
Total Stockholders Equity	<u>(28,212)</u>
Total Liabilities and Stockholders Equity	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

Tropical Leisure Resorts, Inc.
Statements of Operations

	For the Years Ended	
	December 31, 2001	December 31, 2000
<u>Revenues</u>	<u>\$ -</u>	<u>\$ 7,500</u>
<u>Expenses</u>		
General and Administrative	17,387	355
Interest	<u>417</u>	<u>1,953</u>
Total Expenses	<u>17,804</u>	<u>2,308</u>
Net Income (Loss) from Operations	<u>(17,804)</u>	<u>5,192</u>
Net Income (Loss)	<u><u>\$ (17,804)</u></u>	<u><u>\$ 5,192</u></u>
(Loss) Income Per Share	\$ (0.00)	\$ (0.00)
Weighted Average Shares Outstanding	12,497,107	41,492

The accompanying notes are an integral part of these financial statements.

Tropical Leisure Resorts, Inc.
Statement of Stockholders' Equity
For the Years Ended December 31, 1999 through December 31, 2001

	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Additional</u> <u>Paid-In</u> <u>Capital</u>	<u>Retained</u> <u>Deficit</u>	<u>Subscription</u> <u>Receivable</u>
Balance, December 31, 1999	71,792	72	1,081,028	(967,775)	(150,000)
Shares Issued for Services at \$.001 Per Share	9,000,000	9,000	-	-	-
Net Loss for the Year Ended December 31, 2000	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,457)</u>	<u>-</u>
Balance, December 31, 2000	9,071,792	9,072	1,081,028	(981,232)	(150,000)
Shares Issued for Conversion of a Debenture Note at \$.006 Per Share	7,000,000	7,000	32,000	6,724	-
Cancellation of Shares & Accrued Interest Related to the Subscriptions Receivable	(30,000)	(30)	(149,970)	(15,000)	150,000
Net Loss for the Year Ended December 31, 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,804)</u>	<u>-</u>
Balance, December 31, 2001	<u>16,041,792</u>	<u>\$ 16,042</u>	<u>\$ 963,058</u>	<u>\$ (1,007,312)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Tropical Leisure Resorts, Inc.
Statements of Cash Flows

	For the Years Ended	
	December 31, 2001	December 31, 2000
<u>Cash Flows from Operating Activities</u>		
Net Income (Loss)	\$ (17,804)	\$ 5,192
Less Non-Cash Items:		
Non Cash Expenses	(8,276)	-
Increase in Accounts Payable/Notes Payable	6,187	2,308
(Decrease) Increase in Interest Payable	(6,307)	-
Increase in Interest Receivable	15,000	(7,500)
Net Cash (Used) by Operating Activities	(11,200)	-
<u>Cash Flows from Investing Activities</u>	-	-
Net Cash (Used) by Investing Activities	-	-
<u>Cash Flows from Financing Activities</u>		
Increase in Notes Payable	11,200	-
Net Cash (Used) by Financing Activities	11,200	-
Increase in Cash	-	-
Cash and Cash Equivalents at Beginning of Period	-	-
Cash and Cash Equivalents at End of Period	<u>\$ -</u>	<u>\$ -</u>
<u>Supplemental Cash Flow Information:</u>		
Cash Paid For:		
Interest	\$ -	\$ -
Income Taxes	-	-

The accompanying notes are an integral part of these financial statements.

Tropical Leisure Resorts, Inc.
Notes to the Financial Statements
December 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company was incorporated as Sanson Institute - The Company was incorporated as Sanson Commonwealth Commonwealth of Massachusetts on February 21, 1966, for the purpose Commonwealth of Massachusetts activity. activity. On April 25, 1975, the Company changed its name to Cardinal activity. On April 25, 1975, the C 2000, 2000, the Company changed its name to Maxum Development, Inc. In 2000, the Company ch In 2000 corporate corporate domicile through the creation and merger with a Nevada subsidiary. corporate domicile through changed its name to Tropical Leisure Resorts, Inc. There have been no operations since 1991.

Recognition of Revenue - The Company - The Company recognized income and expense on the accrual basis.

Earnings (Loss) Per Share - The computation of earnings (loss) per weighted average number of shares outstanding at the date of the financial statements.

Provision for Income Taxes - No provision for income taxes has been recorded due to - No provision carry forwards totaling approximately \$1,007,312 carry forwards totaling approximately \$1,007,312 that will carry NOL carry forwards have already begun to expiNOL carry forwards have already begun to expire. N statements because the Company believes there is astatements because the Company believes there unused. The current year net income was offset from part of the NOL carryforward.

Deferred tax assets and the valuation account is as follows at December 31, 2001

	December 31, 2001
Deferred tax asset:	
NOL carry forward	\$ 342,486
Valuation allowance	(342,486)
Total	<u>\$ -</u>

Use of Estimates in the Preparation of Financial Statements

conformity with generally accepted accounting principles requires management assumptions that affect reported amounts of assets and liabilities, disclosure of assumptions that affect reported amounts of assets and liabilities, and revenues and expenses during the reporting period at the date of the financial statements. Financial statements, assets involve extensive reliance on those estimates.

Maxum Development, Inc.
Notes to the Financial Statements
December 31, 2001

NOTE 2 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The company has had recurring operating losses for the past several years and requires additional financing to continue operations. The financial statements do not take into account the result from the outcome of uncertainty. It is management's estimate that the company will be able to generate sufficient cash flow to meet its obligations, thus creating necessary operating revenue.

NOTE 3 - NOTES PAYABLE

On December 2, 1998, the Board of Directors approved a promissory note in the amount of \$3,000,000 in exchange for three million pre-reverse split stock. Effective as of December 2, 1998, the note was cancelled. In view of current economic conditions and recent events in the United States, the Board of Directors has approved the cancellation of this debt, together with accrued interest, in exchange for cancellation of this debt of \$3,000,000 and 1,000,000 post reverse split shares. Subsequently those shares were canceled in 2002.

On July 1, 1997, the Board of Directors approved a convertible debenture in the amount of \$1,000,000 for services of an officer for a convertible debenture on demand at 75% of market value or par value, which conversion rate was set at par value and must be convertible when the Company or its subsidiaries are conducting business operations.

Effective July 5, 2001, creditors holding 5% convertible debenture, together with accrued interest, converted the debenture for a total of \$1,000,000.

During 2000, the Company approved a convertible debenture for legal, professional, and general administrative expenses paid on the debenture is interest bearing at 5% and is payable on demand.

During 2001, the Company approved a convertible debenture for legal, professional, and general administrative expenses paid on the debenture is interest bearing at 5% and is payable on demand.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

For the fiscal year 2000, Crouch Bierwolf & Chisholm was the accounting firm. Due to the dissolution of Crouch, Bierwolf, & Chisholm as one entity on December 31, 1999, the directors approved the engagement of Bierwolf, Nilson & Associates to replace them as the Certifying Accountants for the Company.

In connection with the audit of the previous fiscal year, the firm did not have any disagreements with Crouch Bierwolf & Chisholm on any matter of accounting principles or financial statement disclosure, or auditing scope or procedures, which disagreements if not satisfactorily resolved would have caused them to make a change of the disagreement, and said firm has not advised the registrant of any reportable events.

The accountants' report of Crouch Bierwolf & Chisholm for the year ended December 31, 1999, was not qualified, nor was it a disclaimer of opinion, nor were they qualified as to uncertainty, audit scope, or accounting principles.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following information is furnished with respect to the executive officers of the registrant. There are no family relationships between any of the executive officers.

Directors and Executive Officers

Name	Age (2002)	Director Since	Position with the Company
Paul Adams 4766 Holladay Blvd. Holladay, UT 84117	42	1999	President and Director

Paul Adams Mr. Adams has primarily been involved in manufacturing and retail sales in the sports industry for the past nine years. In addition to his position with the Company, he is the owner of Artificial's Only, Inc. a privately held company.

ITEM 10. EXECUTIVE COMPENSATION

Compensation of Executive Officers and Directors

During the year 2000, Paul Adams, CEO and Chairman, received 9,000,000 shares of common stock for his services as director of the company. The shares were valued at \$9,000 (par value). In light of the recent events in the economy and light of the recent events in the economy to a third party not affiliated with the Company of Nevada, Inc.

Employment Agreements and Other Compensation Arrangements

There are currently no agreements with members of management as there are currently no agreements with

Compensation of Non-Employee Directors

There is currently no compensation paid to non-employment directors.

ITEM 11. SECURITY OWNERSHIP

Name and Address of Beneficial Owner	Amount and Nature Of Beneficial Ownership	Percent of Class
Portsmouth Partners, Inc. 4766 Holladay Blvd Holladay, UT 84117	9,000,000	55%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the reported period, there are no transactions that are to be reported under this Item. During the reported year the Registrant did not enter into any transactions

ITEM 13. EXHIBITS AND REPORTS

(A) Exhibits

Exhibit No.	Description
16.2	Letter on Change of Accountants
16.1	Letter on Changes in Control of Registrant

(b) The Registrant filed Form 8-K on August 10, 2001 for a Change in Control of Registrant. The Registrant filed Form 8-K on August 10, 2001 for a Change in Control of Registrant.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the undersigned, thereunto duly authorized, has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Tropical Leisure Resorts, Inc.

By: Paul Adams

/s/ Paul Adams

Dated: May 10, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, the undersigned, thereunto duly authorized, has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, the following persons of behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
<u>/s/ Paul Adams</u>	President and Director (Principal Executive and Financial Officer)	May 10, 2002